

## Message Text

PAGE 01 TOKYO 16715 281115Z

14

ACTION SS-30

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /031 W

----- 108454

O P 281004Z DEC 73

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC IMMEDIATE 8997

INFO AMEMBASSY JIDDA PRIORITY

USINT ALGIERS

AMEMBASSY ABU DHABI

AMEMBASSY BONN

AMEMBASSY BEIRUT

AMEMBASSY BRUSSELS

AMEMBASSY CARACAS

AMEMBASSY COPENHAGEN

AMEMBASSY JAKARTA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY LONDON

AMEMBASSY OTTAWA

AMEMBASSY NEW DELHI

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TEL AVIV

AMEMBASSY ISLAMABAD

AMEMBASSY BRASILIA

AMEMBASSY TEHRAN

AMEMBASSY TRIPOLI

AMEMBASSY VIENNA

AMCONSUL DHAHRAN

USMISSION OECD PARIS

USMISSION EC BRUSSELS

S E C R E T TOKYO 16715

EXDIS

EO 11652: GDS

TAGS: ENRG JA

SUBJ: JAPANESE INTEREST IN CONSUMER GROUP\*AND CONSUMER/PRODUCER

SECRET

PAGE 02 TOKYO 16715 281115Z

CONTACTS

REF: JIDDA 5715

SUMMARY: THE FOREIGN OFFICE IS GIVING SERIOUS THOUGHT TO THE USEFULNESS OF INFORMAL CONSULTATIONS AMONG CONSUMING COUNTRIES ABOUT THE RECENT OPEC PRICE DECISION WITH A VIEW TO A POSSIBLE MEETING BETWEEN OECD AND OPEC. THE FONOFF VIEWS SUCH CONSULTATIONS AS ENTIRELY CONSISTENT WITH THE EAG AND BELIEVES FURTHER TOPICS FOR DISCUSSION COULD INCLUDE ECONOMIC COOPERATION WITH THE PRODUCERS AND THEIR DOLLAR BALANCES. END SUMMARY.

1. IT HAS BECOME APPARENT THAT FONOFF IS DEEPLY CONCERNED BY RECENT OPEC PRICING DECISION AND IS IN PROCESS OF FORMULATING PLAN FOR SERIOUS, INFORMAL DISCUSSION OF PRICING QUESTION AMONG LEADING CONSUMING COUNTRIES AS POSSIBLE PRELUDE FOR MEETING BETWEEN CONSUMER AND PRODUCER GROUPS. FONOFF ENVISAGES LATTER MEETING TAKING PLACE SOON AFTER JAN 7 OPEC MEETING. IDEAS OF FONOFF SEEM TO BE IN LINE WITH PROPOSAL REFTEL AND INDICATE LATENT RECEPTIVITY OF GOJ TO ANY SUCH USG ACTIONS.

2. IN COURSE OF GENERAL DISCUSSION OF ENERGY SITUATION WITH ECONCOM/MIN

DEC 27 (PRIOR TO RECEIPT REFTEL), MIYAZAKI (DIRECTOR GENERAL, ECONOMIC

AFFAIRS BUREAU, FONOFF) STATED THAT PRICING WAS MOST SERIOUS IMMEDIATE

ISSUE FACING THE CONSUMER COUNTRIES AND THAT AN EXCHANGE OF VIEWS ON PRICING POLICY IN THE IMMEDIATE FUTURE WAS ESSENTIAL. THE AIM OF SUCH A MEETING COULD BE THE DEVELOPMENT OF A PROPOSAL TO BE MADE BY THE CONSUMERS TO OPEC. THUS, THE MEETING COULD SERVE AS A PRELUDE TO A MEETING BETWEEN THE OECD AND OPEC, AS THE SHAH HAS SUGGESTED.

3. ACCORDING TO MIYAZAKI, THE FORUM FOR SUCH A MEETING IS IMMATERIAL, THE IMPORTANT THING IT THAT IT BE INFORMAL AND CONFIDENTIAL. THE HIGH LEVEL GROUP OF THE OECD OIL COMMITTEE WOULD NOT BE APPROPRIATE, HE SAID. SOMETHING MORE INFORMAL, LIMITD PERHAPS TO JAPAN, US, UK, GERMANY AND FRANCE, --EVEN CHAIRED BY VAN LENNUP --WOULD BE MORE PRODUCTIVE.

4. MIYAZAKI TIED HIS PROPOSAL DIRECTLY INTO THE ENERGY ACTION GROUP  
SECRET

PAGE 03 TOKYO 16715 281115Z

(EAG), STATING THAT THERE WAS NO INCONSISTENCY AMONG THE AEG AND A POSSIBLE MEETING BETWEEN THE OECD AND OPEC, AND A CONSUMER GROUP MEETING. IN FACT, HE SAID, ALL COULD BE SUBSUMED WITHIN EAG AT APPROPRIATE TIME. GOING BEYOND THE PRICE QUESTION, MIYAZAKI MENTIONED THE NED FOR CONSIDERATION TO BE GIVEN BY THE CONSUMER GROUP OF ECONOMIC COOPERATION WITH THE PRODUCING STATES AND QUESTION OF DOLLAR BALANCES OF THE LATTER.

5. ALTHOUGH MIYAZAKI PRESENTED HIS VIEWS AS BEING PERSONAL, HE WENT ON TO ASSERT THAT FOREIGN MINISTER OHIRA WOULD BE IN AGREEMENT AND THAT THEY COULD EASILY PERSUADE PRIME MINISTER TANAKA AS WELL. HE ADDED HOWEVER THAT THE VIEWS OF DEPUTY PRIME MIN MIKI AND MITI MIN NAKASONE WOULD HAVE TO BE TAKEN INTO ACCOUNT. IN ANY

EVENT, MIYAZAKI STATED THAT JAPAN WOULD NOT BE ABLE TO TAKE THE INITIATIVE BECAUSE OF THE DELICACY OF ITS RELATIONS WITH THE PRODUCERS. HOWEVER, IT WAS CLEAR THAT THERE WOULD BE FIRM SUPPORT FOR ANY INITIATIVE BY OTHER CONSUMER COUNTRIES. IN RESPONSE TO ECONCOM/MIN'S QUESTION, HE EXPRESSED SOME DOUBT THAT WE COULD COUNT ON EC IN THIS CONNECTION.

6. IN SEPARATE CONVERSATION DEC 28 WITH ECON/COUNS, TOYONAGA (HEAD, INTERNATIONAL DIV, NATURAL RESOURCES AND ENERGY AGENCY OF MITI) INDICATED A SIMILAR LINE OF THOUGHT. WHILE HE BEGAN BY BLAMING US INDEPENDENTS FOR HAVING BID UP PRICES OF DD CRUDE AND SUGGESTING THAT USG TAKE ACTION TO PREVENT SUCH BIDS AS MEANS TO RESTORE ORDER IN WORLD OIL MARKET, TOYONAGA (WITH NO REFERENCE BY HIM OR ECON/COUNS TO FONOFF VIEWS) OPINED THAT THERE WAS CLEAR NEED FOR CONSUMING COUNTRIES TO DISCUSS PRICE QUESTION. SIMILAR TO MIYAZAKI, HE DOUBTED THAT OECD HIGH LEVEL GROUP OF OIL COMMITTEE WAS APPROPRIATE BODY.

7. COMMENT: IT IS CLEAR TO US THAT THE GOJ IS MOVING AWAY FROM ITS TRADITIONAL POLICY OF AVOIDING ANY ACTION WHICH COULD REMOTELY BE INTERPRETED AS QTE CONFRONTING UNQTE THE PRODUCER GROUP AND THAT IF THE USG WERE TO PICK UP SUGGESTION FOR CONSUMER CONSULTATIONS AND POSSIBLE CONSUMER/PRODUCER MEETING, WE BELIEVE THERE WOULD BE GOOD CHANCE OF A FAVORABLE GOJ REACTION.

ACTION REQUESTED: EMBASSY WOULD APPRECIATE PROMPT WASHINGTON REACTION TO MIYAZAKI'S SUGGESTION.

SHOESMITH

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PAGE 04 TOKYO 16715 281115Z

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## Message Attributes

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**TAGS:** ENRG, JA, OPEC, OECD  
**To:** STATE INFO JIDDA  
ALGIERS  
ABU DHABI  
BONN  
BEIRUT  
BRUSSELS

CARACAS  
COPENHAGEN  
JAKARTA  
KUWAIT  
LAGOS  
LONDON  
OTTAWA  
NEW DELHI  
PARIS  
ROME  
TEL AVIV  
ISLAMABAD  
BRASILIA  
TEHRAN  
TRIPOLI  
VIENNA  
DHAHRAN  
OECD PARIS  
EC BRUSSELS

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